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File No. O Cotton cloth Trade Regulation 45

Legal **DEPARTMENT**

A **BRANCH**

Subject:—

Opinions under the Bombay Cotton Cloth Trade Regulation Order 1945

P? 2/E)

File No. O Cotton Cloth Trade Regulation/45

Std. Sectt. Slip 24 B e.

340 - A

Contents.

Legal Department File No. O. Cotton Cloth Trade. Regulation / 1945.

S. No.	Compilation No.	Subject.	Pages.
	O. cotton cloth Trade Regultion/ 1945.	Opinions under the B'bay cotton cloth Trade Regulation order, 1945.	
1.	O. No. 3333/ 28/4/45.	Questions (1) Whether firms which import cloth from foreign countries require a licence under the order and (2) whether those firms which do export business in cloth should be informed that they do not require any licence under the order.	1-2.
2.	O. No. 6426/ 30/8/45.	Question whether it is obligatory on the licensing authority to communicate to the applicant the reasons for refusing to grant him a licence under that provision.	3-4.

MRR.

Office of the R. L. A.

On a request for advice, from Forbes Forbes Campbell and co. who import cloth from abroad, as to whether they require licenses under the Bombay Cotton Cloth Trade Regulation Order, 1945, the Provincial Textile Controller had raised the following two points for opinion Viz:-

(i) whether firms which import cloth from foreign countries required a license under the Bombay Cotton cloth Trade Regulation Order, 1945, and if so whether they should be given "F" class license, or a special class of license should be framed for such firms and

(ii) whether those firms which do export business in cloth should be informed that they do not require any license under the order.

Question No. (i) For the import of cloth from abroad no license is required under the Bombay Cotton Cloth Trade Regulation Order, 1945, whether a license is required on dealing with the cloth after import, depends on the manner of its disposal. If Forbes Forbes Campbell and Co. sell ex the cloth in Bombay a license would be required. The kind of license required would be a question of fact and not enough information is given in these papers to determine under what class or classes of dealers Forbes Forbes Campbell and Co. would fall. Whatever limits may have been intended for E class dealers, the definition of that class is very wide and would include all dealers not included in the other classes.

Question No. (ii) :- This question is fully covered by the R. L. A.'s opinion No. 5161, dated the 21st July 1944. It is for the administrative department to decide whether to give the information asked for.

sd/-
o/c
Chamberlain of Legal Affairs.

U. R. to F. D.(Supply) No. 3333, dated the 28th April, 1945.

Office of the R. L. A.

Clause 7 of the Bombay Cotton Trade Regulation Order, 1948., provides that the licensing authority may, for reasons to be recored in writing, refuse to grant a license. The question for the consideration of the R. L. A. is whether it is obligatory on the licensing authority to communicate to the applicant the reasons for refusing to grant him a license under that provision.

It is a rule of natural justice which entitled the party to know the reason for the decision, be it judicial or quasi-judcial... The grant or refusal of a license need not be made the occasion for a full-dress statement of policy by the licensing body* (See pp. 122, 123 of Congerning English Administrative Law by Sir Cecil Thomas Carr).

Normally the applicant on refusal of a license under clause 7 of the Bombay Cotton Cloth Trade Regulation Order, 1945, would be entitled to know the reaons for such refusal unless they are of a confidential nature. That being the legal position, to avoid adverse criticism it appears necessary that in recording reason for refusing to grant a license under clause 7 the licensing authority should take care to see that no reference to the policy of Government is made in the order although the reasons for refusing the license may be founded on the policy of Govern-ment.

sd/-

o/c
Remembrancer of Legal Affairs.

U. R. to F. D. (Supply) No. 6426 dated the 30th August 1945.